STOCK MARKET INDEX

Abu Dhabi - ADX	9,238.34	▼
Dubai - DFM	3,201.90	▲
New York - NYA	14,748.16	▲
London - UKX	7,208.81	▲

الإمارات
THE EMIRATES

FOREX (AED)

SAR	0.9850	USD	3.6800
EURO	3.8880	YEN	0.0280
GBP	4.5280	CAD	2.8570

EXCHANGE RATE

Indian Rs	21.19	Sri Lankan Rs	97.82
Pakistani Rs	55.20	Philippine Peso	14.68
		Bangladesh Taka	23.81

ENERGY

Brent Crude	$113.17/bbl
WTI Crude	$107.55/bbl
Natural Gas	$6.21/MMBtu

PRECIOUS METALS

Gold	$1,830.80/t oz
Gold-Dubai	AED221.25/gm
Silver	$21.22/t oz

TEN TOLA GOLD BULLION

BUY FOR (AED) 25,806.60

OP-ED PAGE 04

Is it time for Europe to declare a war economy?

Western Europeans have been lucky yet not to be in a shooting war as Ukrainians are. But they're combattants in economic war against Putin, writes **ANDREAS KLUTH**

EUROPE PAGE 07

UK government spent $459b on pandemic response

The amount grew amid measures to administer vaccines, test and cases, and alleviate pressure on hospitals to improve patient discharge

Saturday Sunday

6 297000 596006

Price UAE: AED 2

THE GULF TIME

MUSLIM PILGRIMS IN MECCA

Muslim pilgrims perform prayers around the Kaaba, Islam's holiest shrine, at the Grand mosque in the holy city of Mecca, during the start of the annual Hajj pilgrimage on Friday —DPA

UAE ranks first regionally in attracting FDI inflows: UNCTAD

The Emirates also emerged 17th globally in terms of FDI outflows that totaled $22.5bn in 2021, up 19% over 2020

ABU DHABI / WAM

The UAE has been ranked first in the Arab world and 19th globally for its ability to attract foreign direct investment (FDI) inflows by the World Investment Report 2022 issued by the United Nations Conference on Trade and Development (UNCTAD). The UAE also emerged 17th globally in terms of FDI outflows that totaled $22.5 billion in 2021, a 19% growth compared to the year 2020.

Abdullah bin Touq Al Marri, Minister of Economy, said that the report's findings and indicators confirm that the UAE is on the right path towards achieving its ambitious goals of strengthening the national economy and increasing its global competitiveness, with the support and directives of the wise leadership and in line with the directives and Principles of the 50 and the pillars of the UAE Centennial 2071.

> In 2021, the UAE attracted $20.7bn worth of FDI, recording a 4% growth from 2020. This makes it the first Arab country to acquire 40% of total FDI received by Arab countries, which is $52.9bn

The minister emphasised that the national efforts to enhance the attractiveness of the country's investment environment and enable the growth of inflows and outflows of investments will continue, according to comprehensive national strategies that are designed to strengthen the UAE's position in the global investment landscape.

WEST TEXAS Intermediate traded above $108 a barrel, erasing much of this week's loss

Oil rallies after a reading on inflation expectations eased

Crude prices were on a roller coaster ride rallying after an economic survey showed modest improvement with inflation expectations, analysts said

BLOOMBERG

Oil jumped after a reading on US consumer inflation expectations was revised lower, adding optimism to crude's demand outlook.

West Texas Intermediate traded above $108 a barrel, erasing much of this week's loss. Friday's rally comes as the University of Michigan's final June reading of longer-term consumer inflation expectations settled back from an initially reported 14-year high, potentially reducing the urgency for steeper Federal Reserve interest rate hikes.

> Crude prices have sunk despite signs that energy markets remain tight in the near term as the war in Ukraine drags on and supply risks persist

"Crude prices were on a roller coaster ride this morning rallying after a key economic survey showed modest improvement with inflation expectations," said Ed Moya, senior market analyst at Oanda. "Wall Street remains optimistic that inflation will improve over the next year and that is good news for risky assets, especially commodities.

In the Middle East, Murban crude was in a backwardation of more than $10 over its nearest two months, an unprecedented value that indicates major supply scarcity.

Still-high refined product prices also pointed to a continued demand pull, suggesting that the recessionary fears that have weighed on prices for much of this week aren't yet rippling through to the pump.

Oil's rally went into reverse earlier this month on escalating concern over a global slowdown as central banks, including the US Federal Reserve boosted interest rates to quell raging inflation. Prices have sunk despite signs that energy markets remain tight in the near term as the war in Ukraine drags on and supply risks persist. Still, key timespreads remain elevated.

That in part reflects still-strong demand for real-world barrels. Cargoes for Asian buyers are fetching giant premiums to their benchmarks for August loading, signaling confidence in demand over the next few months.

Oil's rally went into reverse earlier this month on escalating concern over a global slowdown as central banks, including the US Federal Reserve boosted interest rates to quell raging inflation

> - In Mideast, Murban crude was in a backwardation of more than $10 over its nearest two months, an unprecedented value that indicates major supply scarcity
> - Still-high refined product prices pointed to a continued demand pull, suggesting recessionary fears that weighed on prices for much of this week aren't yet rippling through to the pump

Fijian officials commend UAE's humanitarian role

SUVA / FIJI / WAM

Several Fijian government officials lauded the humanitarian projects carried out by the Emirates Red Crescent (ERC), including the establishment of three technology colleges in areas affected by Cyclone Winston.

The colleges were recently inaugurated by an ERC delegation led by Hamoud Al Junaibi, ERC Secretary-General, Frank Bainimarama, Prime Minister of Fiji, and several government officials.

■ For full story, read www.gulftime.ae

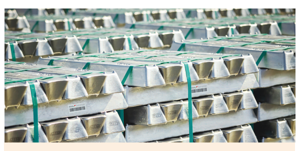
EGA to build solar-power facility for silicon metal

ABU DHABI / GULF TIME

Emirates Global Aluminium (EGA), the largest industrial company in the United Arab Emirates outside oil and gas, on Friday announced that the company is to develop a project to manufacture silicon metal in the UAE, securing supplies of a key raw material for 'premium aluminium' and unlocking potential new industries in the UAE in line with the goals of Operation 300bn and Make it in the Emirates.

Silicon metal is added to aluminium during the casting process, to create high-strength alloys required particularly in the automotive industry. Roughly a quarter of EGA's production is foundry alloys, which are used to make vehicle parts.

The UAE currently has no domestic silicon metal manufacturing capacity, and EGA is by far the largest importer of this material with an annual demand of around 60 thousand tonnes. Some 70 per cent of the world's silicon metal manufacturing capacity is located in China, with the electricity-intensive industry largely powered by coal.



> The UAE currently has no domestic silicon metal manufacturing capacity, and EGA is by far the largest importer of this material with an annual demand of around 60 thousand tonnes

Masdar City unveils net-zero energy building

ABU DHABI / WAM

Masdar City, a world-class technology and innovation hub and a pioneering sustainable community in Abu Dhabi, along with its consulting partners Woods Bagot and Faithful+Gould, has advanced its contribution to the UAE Net-Zero by 2050 Strategy with the groundbreaking ceremony of its latest development – the Masdar City Square (MC2).

The MC2 development covers an area of 29,000 square meter and gross floor area (GFA) of 50,000 square meter, extending Masdar City's commitment to net-zero, sustainability, technology, and wellbeing by nurturing an expanded community of businesses operating in harmony with the environment. Work on the development will begin this year and is scheduled for completion in 2024.

■ For full story, read www.gulftime.ae

UAE, Romania to boost economic cooperation

ABU DHABI / WAM

The United Arab Emirates hosted the second UAE-Romania Joint Committee at the Ministry of Foreign Affairs and International Cooperation in Abu Dhabi.

The meeting was co-chaired by Ahmed Al Sayegh, Minister of State, and Bogdan Aurescu, Minister of Foreign Affairs of Romania. A number of senior officials representing various governmental organisations and private companies from the UAE participated in the meeting, alongside a high-level delegation from Romania.

During the meeting, the two sides discussed ways to enhance bilateral relations in all fields. They also discussed opportunities for cooperation in the areas of SMEs, entrepreneurship, energy, technology, science, education, cyber security, artificial intelligence, agriculture, transportation and logistics, aviation and space.

Al Sayegh commended role of Joint Committee in enhancing cooperation between the Emirati and Romanian private and public sectors and encouraged participants to continue to take advantage of this committee as a platform for cooperation by both nations.

For his part, Bogdan Aurescu commended the close relations between Romania and the UAE and highlighted the many opportunities ahead that can be further strengthened.

> UAE-Romania Joint Committee discussed opportunities for cooperation in areas of SMEs, entrepreneurship, energy, technology, science, education, cyber security, AI among others

Ta'ziz acts as catalyst of UAE industry, manufacturing growth

The AED14bn industrial chemicals zone will catalyse nation's next generation of economic development and diversification

ABU DHABI / WAM

This week, Adnoc shared the range of opportunities made available by their planned expansion of Abu Dhabi's petrochemicals industry with manufacturers and investors at the "Make it In the Emirates" forum, held in Abu Dhabi.

Adnoc has long been an engine for and champion of industrial growth in the UAE and its new chemicals joint venture with ADQ, Ta'ziz, will catalyse the nation's next generation of economic development and diversification.

The "Make it in the Emirates" forum brought together the largest industrial companies from across the UAE to share their procurement plans and detail how these translate into local manufacturing and investment opportunities. During the forum, over 20 industrial investors also signed Expressions of Interest for activities in the Ta'ziz Light Industrial and Services Zones.

Ta'ziz is a critical enabler of the UAE's industrial development ambitions. Launched at the end of 2020, Ta;ziz will drive and enable expansion of the Ruwais Industrial Complex, as well as Abu Dhabi's wider chemicals, manufacturing and industrial sectors. Ta'ziz comprises of three zones: The AED14 billion Ta'ziz Industrial Chemicals Zone, the Light Industrial Zone, and the Industrial Services Zone. The Chemicals Zone will host chemicals production at world-scale, while the Light Industrial Zone will be home to downstream conversion industries. These industries will convert the outputs of the Chemicals Zone into consumable, end-used products. The third zone is the Industrial Services Zone, which will house a variety of companies providing the necessary services required by the Ta'ziz industrial zones and the wider Ruwais Industrial Complex.

> Since its launch, Ta'ziz has made significant progress and has attracted international and local private sector investor interest for its chemicals projects

UAE wins 18 awards at 15th Gulf Radio and Television Festival

ABU DHABI / WAM

The UAE's state media organisations have won 18 awards at the 15th Gulf Radio and Television Festival hosted by the Kingdom of Bahrain.

The festival took place from June 21-23, with the participation of various government and private radio and television entities from the Gulf Cooperation Council (GCC).

Abu Dhabi Media received the Gold award in the category of cultural programmes (Gulf Identity), "Dearest People" in the category of documentaries; "Conscious" in the category of talk shows, and "New Age" programme in the category of awareness programmes. The silver award went to "Double Click" in the category of variety programmes, while the series "Daughters of Massoud" won the silver award in the category of comedy-drama. Abu Dhabi FM radio station won the golden award for the golden breaks category, which it won for its breaks "Stay at Home," while Emirates Radio FM won the silver award for its programme "Hat-trick" and Sky News Arabia won for its "Atheer Al Koora" programme.

Sharjah Broadcasting Authority topped the awards tally by winning five awards, including three golds for its TV programmes namely "Stars of Science" in the category of family and children programmes; "Sharia al-Dhaid (Our Gulf is Green)" in the category of environmental programmes; and "Voice of Recitation". The silver went to the popular radio programme "Al Atheer" in the variety programme category and the radio series

> Abu Dhabi Media received the Gold award in the category of cultural programmes (Gulf Identity), "Dearest People" in the category of documentaries; "Conscious" in the category of talk shows, and "New Age" programme in the category of awareness programmes

"Khattar al-Hana" won a silver in the comedy-drama category.

Dubai Media Incorporated won the "Flashes" Advertising Space Award, which was won by "Al Atheer Expo". The award for the best Community Drama went to the Gulf series "Sama Alia", and the Award for Cultural Programmes (Gulf Identity) went to "Cultural Dimensions".

In the films category, "A Small Dream", produced by Cinewaves Films from the UAE, won the Short Narrative Film Award.

On this occasion, Dr. Rashid Khalfan Al Nuaimi, Executive Director of the Media Regulatory Authority at the Ministry of Culture and Youth, said, "These awards are a culmination of the efforts of various media outlets in the country. These achievements reflect the progress of the UAE media, which provides meaningful and constructive messages, based on the high media standards upholding the aspirations, knowledge and culture of our society."

This year, the Gulf Radio and Television Festival organised 11 competitions for TV and radio programming open to GCC member countries —WAM

Fijian officials commend UAE's humanitarian role

SUVA / FIJI / WAM

Several Fijian government officials lauded the humanitarian projects carried out by the Emirates Red Crescent (ERC), including the establishment of three technology colleges in areas affected by Cyclone Winston.

The colleges were recently inaugurated by an ERC delegation led by Hamoud Al Junaibi, ERC Secretary-General, Frank Bainimarama, Prime Minister of Fiji, and several government officials.

In her statement to the *Emirates News Agency* (WAM), Premila Kumar, Minister of Education of Fiji, highlighted the importance of the ERC's efforts to establish new educational facilities in the country, which will benefit students. She then thanked the UAE and ERC for building these colleges.

An under-secretary at the Fijian Ministry of Education also lauded the UAE's efforts to build the colleges, which will help advance the national education system, stressing that the UAE's humanitarian presence is beneficial. He affirmed his keenness to strengthen the educational and humanitarian cooperation between the two countries.

Dr. Angela Jokhan, Permanent Secretary at the Ministry of Education of Fiji, expressed her gratitude to the UAE for building new educational facilities in the country.

Director of the College of Technology in Sigatoka District, praised the UAE's humanitarian role, noting that the three new colleges have advanced infrastructures and high-quality facilities.

COMMANDER OF LAND FORCES ATTENDS GRADUATION CEREMONY

Major General Saeed Rashid Al Shehhi, Commander of the UAE Land Forces, during the graduation of several Land Forces recruits from the first "Qualifying Inspection Course" in Abu Dhabi on Friday. The course was organised by the Land Forces Command according to the Public Inspection Executive Administration's strategy, which plays a critical role in improving the efficiency of Armed Forces recruits, by holding specialist inspection courses in line with the best international standards. The course also aims to qualify inspectors in their units and equip them with the best skills and capacities to carry out specialist public inspections —WAM

MASDAR CITY is home to one of the world's largest clusters of green buildings with Estidama, Leed certifications

Masdar City launches its first net-zero energy office building

The MC2 development, which covers an area of 29,000 sq meter, will nurture an expanded community of businesses operating in harmony with environment

ABU DHABI / WAM

Masdar City, a world-class technology and innovation hub and a pioneering sustainable community in Abu Dhabi, along with its consulting partners Woods Bagot and Faithful+Gould, has advanced its contribution to the UAE Net-Zero by 2050 Strategy with the groundbreaking ceremony of its latest development – the Masdar City Square (MC2).

The MC2 development covers an area of 29,000 square meter and gross floor area (GFA) of 50,000 square meter, extending Masdar City's commitment to net-zero, sustainability, technology, and wellbeing by nurturing an expanded community of businesses operating in harmony with the environment. Work on the development will begin this year and is scheduled for completion in 2024.

The development includes seven single- and multi-tenant office buildings and a parking facility, all reflecting innovative design. Six of the buildings will be built to the highest green construction specifications while the MC2 Headquarters building will be Abu Dhabi's first net-zero energy office building, meaning it will use no more energy than it produces by integrating energy efficiency-focused design and systems and renewable energy technologies.

This contribution to net-zero is of great importance to the UAE, which in 2021 became the first country in the Middle East and North Africa region to commit to achieving net zero emissions through its UAE Net-Zero by 2050 strategic initiative. The MC2 Headquarters building will be immediately identifiable by its innovative solar photovoltaic panel canopy.

The Masdar City Square development, which covers gross floor area of 50,000 square meter, extends Masdar City's commitment to net-zero, sustainability, technology, and wellbeing

> - The MC2 development includes seven single- and multi-tenant office buildings and a parking facility, all reflecting innovative design
> - Six of the buildings will be built to the highest green construction specifications while the MC2 headquarters building will use no more energy than it produces by integrating energy efficiency-focused design and systems and renewable energy technologies

Speaking at the occasion of the groundbreaking, Ahmed Baghoum, Acting Executive Director, Masdar City, said, "Masdar City is already home to one of the world's largest clusters of green buildings with Estidama and LEED certifications. With the completion of MC2, and its seven new green buildings, including Abu Dhabi's first net-zero energy office building, we are further demonstrating how urban development can be both economically and environmentally sound and sustainable. Masdar City is proud to serve as a testbed for sustainable urban development and we look forward to seeing how MC2 enriches Masdar City, Abu Dhabi, and the UAE."

The groundbreaking was attended by key representatives from Masdar, Masdar City and development partners, including the Acting Executive Director of Masdar City and Abdul Aziz Bin Shafar, CEO of ASGC.

Six of the MC2 buildings will be 4-Pearl Estidama, LEED Platinum, and WELL Gold certified. LEED Platinum is the highest certification provided by the Leadership in Energy and Environmental Design programme, the most widely used programme to evaluate the environmental performance of a building and encourage market transformation towards sustainable design. WELL Gold is the second highest certification provided by WELL, the world's first building standard that focuses exclusively on human health and wellness. Estidama Pearl Rating System is the green building rating system developed by the Abu Dhabi Urban Planning Council, with 1-5 pearls awarded depending on how many sustainability points the project achieves.

The innovative buildings in MC2 add to Masdar City's legacy as a regional pioneer in net zero and green construction.

■ For full story, read www.gulftime.ae

UAE sees 1,665 new recoveries from Covid-19

ABU DHABI / WAM

The Ministry of Health and Prevention, MoHAP, announced that it conducted 312,752 additional Covid-19 tests over the past 24 hours, using state-of-the-art medical testing equipment.

In a statement, the ministry stressed its aim to continue expanding the scope of testing nationwide to facilitate the early detection of coronavirus cases and carry out the necessary treatment. As part of its intensified testing campaign, MoHAP announced 1,665 new coronavirus cases, bringing the total number of recorded cases in the UAE to 935,345.

According to the ministry, the infected individuals are from various nationalities, are in a stable condition, and receiving the necessary care.

MoHAP also noted that an additional 1,665 individuals had fully recovered from Covid-19, bringing the total number of recoveries to 915,857.

EGA to build solar-power facility for silicon metal

The move will secure the supply of a strategic raw material and create a new growth opportunity for the company

ABU DHABI / GULF TIME

Emirates Global Aluminium (EGA), the largest industrial company in the United Arab Emirates outside oil and gas, on Friday announced that the company is to develop a project to manufacture silicon metal in the UAE, securing supplies of a key raw material for 'premium aluminium' and unlocking potential new industries in the UAE in line with the goals of Operation 300bn and Make it in the Emirates.

Silicon metal is added to aluminium during the casting process, to create high-strength alloys required particularly in the automotive industry. Roughly a quarter of EGA's production is foundry alloys, which are used to make vehicle parts.

Silicon metal is a key raw material in 'premium aluminium' that could also unlock new domestic industries in line with Operation 300bn and Make it in the Emirates

The UAE currently has no domestic silicon metal manufacturing capacity, and EGA is by far the largest importer of this material with an annual demand of around 60 thousand tonnes. Some 70 per cent of the world's silicon metal manufacturing capacity is located in China, with the electricity-intensive industry largely powered by coal.

> - The UAE currently has no domestic silicon metal manufacturing capacity, and EGA is by far the largest importer of this material with an annual demand of around 60 thousand tonnes
> - Some 70% of the world's silicon metal manufacturing capacity is located in China, with the electricity-intensive industry largely powered by coal

Silicon metal is also an essential raw material for other industries, including silicones which are used in everything from adhesives to contact lenses, and high-purity silicon which is used to manufacture solar photovoltaics and semiconductors. The UAE is expected to become a significant market for solar photovoltaics with its ambitious goals to expand solar power generation capacity, including to meet EGA's demand for cleaner energy. Domestic supply of silicon metal could create the opportunity for a local solar photovoltaics manufacturing value chain to develop.

Abdulnasser Bin Kalban, Chief Executive Officer of EGA, said: "Developing a silicon metal manufacturing facility would secure our supply of a strategic raw material. Once we have met our own demand we could expand further, creating a new growth opportunity for our company."

OFFSHORE wind farms are one of the fastest-growing sectors of renewable energy

Oil producers plan world's biggest floating wind farm

Equinor, Shell and TotalEnergies are looking at options to build a 1-GW wind farm to power operations in the Troll and Oseberg oil and gas fields

BLOOMBERG

A group of oil and gas producers including Equinor ASA, Shell Plc and TotalEnergies SE are considering building what would be the world's largest floating wind farm off Norway to power their fossil-fuel activities.

The companies are looking at options to build a 1-gigawatt wind farm to power operations in the Troll and Oseberg oil and gas fields, they said. It's an example of the complex road to cutting global carbon emissions, where deep-pocketed fossil-fuel firms with strong engineering expertise could play a key role in renewables growth even as they continue their polluting businesses.

Equinor and its partners, which also include Petoro AS and ConocoPhillips, would buy all of the electricity from the project to power their fossil-fuel activities in the North Sea

> Equinor last year produced about 12.1 million tons of carbon dioxide from activities it owns and operates, but the total impact of its business exceeded 250 million tons

> - Deep-pocketed fossil-fuel firms with strong engineering expertise could play a key role in renewables growth even as they continue their polluting businesses
> - Developing floating technology could drastically expand the sea area suitable for generating wind power

Offshore wind farms are one of the fastest-growing sectors of renewable energy. But the vast majority of existing and planned projects are in shallow waters where turbines can be placed on foundations built up from the seabed. Developing floating technology could drastically expand the sea area suitable for generating wind power.

The technology has so far only been used on small pilot projects. Equinor pioneered the concept at a Scottish site and is building a bigger one in Norway. The new project being considered, named Trollvind, would be more than 11 times larger than the Norwegian one, pushing floating wind to a scale that will be needed for it to make a real contribution to global efforts to cut emissions.

Equinor and its partners, which also include Petoro AS and ConocoPhillips, would buy all of the electricity from the project to power their fossil-fuel activities in the North Sea. The wind farm would be connected to land so that it could also potentially feed homes and businesses.

"Trollvind is a concept where renewable energy works to facilitate several objectives; helping cut emissions through electrification, delivering power to an area where shortages have already created challenges for new industrial development," Equinor Chief Executive Officer Anders Opedal said in a statement.

The companies plan to make an investment decision next year and have the project operational by 2027.

Emissions from oil companies' own operations and energy needs account for just a small fraction of their overall climate impact. For example, Equinor last year produced about 12.1 million tons of carbon dioxide from activities it owns and operates, but the total impact of its business exceeded 250 million tons.

Still, investment in projects like Trollvind are in important step in scaling up renewables technology to reach global green targets.

Europe power prices soar to 6-month high

BLOOMBERG

European power prices surged to the highest level since December after Germany took a step closer to rationing natural gas supplies amid cuts to flows from Russia.

Rising gas prices have been pushing up the cost of electricity across Europe, fuelling inflation and increasing the economic burden on businesses and households still recovering from the pandemic.

German power for next year surged as much as 4.5% to 256 euros a megawatt hour, reaching the highest since Dec. 23, on the European Energy Exchange. The French equivalent gained 1.6% to 320 euros a megawatt hour, also reaching the most since December.

"European power prices jumped as a result of lower gas supplies and renewed concerns for the winter balance," Carlos Torres Diaz, senior vice president at Rystad Energy AS said in an emailed note. "Supply disruptions are creating a tighter European balance."

> Rising gas prices have been pushing up the cost of electricity across Europe, fuelling inflation and increasing economic burden on businesses and households

The increase in gas prices is also boosting demand for coal as a power source, a polluting alternative that could be increasingly called upon this winter if gas supplies remain disrupted. European coal futures for next year rose as much as 4% to $270 a ton.

BHP scraps thermal coal exit

BLOOMBERG

BHP group u-turned on its plan to exit from thermal coal, after surging prices made the assets more valuable and a shift in investor attitudes has reduced pressure on the company to stop mining the dirtiest fuel.

The world's biggest resources companies and their shareholders have been grappling for years with the question of whether to get out of the fossil-fuel business. BHP already sold out of a giant coal mine in Colombia and its biggest rival, Rio Tinto Group, completely exited coal years ago, while top shipper Glencore Plc says it will hold onto its mines until they run out of coal sometime before 2050.

Now investors are growing increasingly wary of the unintended consequences of divestment, especially as spiking energy prices make it a lucrative business for new owners — meaning more coal could end up being produced for longer. Anglo American Plc spun off its South African coal mines last year into a new company that immediately announced it planned to increase production.

PROTEST AGAINST OIL PRODUCTION IN GERMANY

Climate protection demonstrators of the group "Last Generation" blocked the intersection at Frankfurter Tor in Berlin during a protest against the search for oil in the North Sea
—DPA

UK agency to invest $200m in African hydropower projects

The move will boost continent's renewable energy portfolio

BLOOMBERG

The UK's development finance agency will invest about $200 million in African hydroelectricity projects to boost the continent's renewable energy portfolio.

British International Investment Plc, formerly CDC Group, will invest into a joint venture between Norway's Norfund AS and Scatec ASA to deliver about 675 megawatts, its largest backing for water-generated power, the fund said.

Norfund plans to put in an additional $100 million into the projects over coming years, according to the statement. BII and Norfund hold 49% stake in Scatec's African hydropower projects.

The joint venture's pipeline of projects includes the proposed 205 megawatt Ruzizi III plant, which will provide power to Rwanda, Burundi and the Democratic Republic of Congo, the 120 megawatt Volobe plant in Madagascar and a 350 megawatt Mpatamanga project in southern Malawi.

"Hydro-power is critical for providing clean base-load and peaking power, especially in landlocked countries in Africa, as the continent's countries transition away from fossil fuels toward a net-zero future," said Chris Chijiutomi, BII's head of infrastructure equity for Africa and Pakistan.

Africa's electricity access is estimated at 40%, according to the African Development Bank. Providing the continent with power is key to unlocking Africa's vast economic potential by growing manufacturing capacity and boosting cross country trade.

Africa's electricity access is estimated at 40%, according to the African Development Bank

> Providing the continent with power is key to unlocking Africa's vast economic potential by growing manufacturing capacity and boosting cross-country trade

Italy may trigger emergency gas plan

BLOOMBERG

Italy may trigger its emergency gas plan as soon as next week if Russia continues to curb supplies, a move that may involve a bigger reliance on the dirtier fuels.

If Gazprom PJSC doesn't restore its gas supplies to Italy by mid-week, the government may initiate an emergency phase for its market, according to people familiar with the situation. That may pave the way for a greater output of the six coal plants that are already operational in Italy, but are due to be shut by 2025 to meet climate change goals.

Russia slashed supplies to Germany, France, Austria and Italy this week, prompting a 60% surge in gas prices.

Japan to withdraw financing of key coal projects

The East Asian country will stop providing yen loans to power plant projects in Bangladesh and Indonesia

BLOOMBERG

Japan will withdraw financing for key coal-fired power plant projects in Bangladesh and Indonesia under efforts aimed at accelerating a global phase-out of the dirtiest fossil fuel.

Asia's second-largest economy will stop providing government-backed yen loans to the Matarbari 2 coal expansion project in Bangladesh and the Indramayu plant in Indonesia, the country's Foreign Ministry said in a statement.

The move comes days ahead of a meeting of Group of Seven nations, which agreed last year to stop international financing of coal projects. Japan initially opposed that move, and while it subsequently tightened conditions for overseas coal projects, it has faced sharp criticism over its support for new developments under certain condition.

> - Japanese companies are withdrawing from the coal sector amid scrutiny from activist investors
> - Climate activists are wary of plans to simply replace coal-sector projects with LNG-fired plants, which risks locking in the use of fossil fuels for decades

Japan accounted for more than half of the $6.6 billion of coal support from G-7 countries in 2019, according to *Bloomberg NEF.*

Bangladesh said it won't go forward with the coal-based plan for Matarbari 2, instead building a liquefied natural gas-based plant as the country shifts to alternative energy sources. The country "is moving away from coal power," Nasrul Hamid, state minister for power and energy, said in a phone interview. "In 2021, the government cancelled plans to build 10 coal power plants that were expected to pull in about $10 billion in investments."

Japan accounted for more than half of the $6.6 billion of coal support from G-7 countries in 2019, according to *Bloomberg NEF*

The Indramayu project is already on hold and could be halted completely in line with Indonesia's net zero target, according to Wanhar, director of electricity program supervision at the country's energy and the mineral resources ministry.

Japanese companies are also withdrawing from the coal sector amid scrutiny from activist investors. Sumitomo Corp. and Toshiba Corp. have both indicated they won't take new orders for coal-fired projects, while commercial banks have also made similar pledges.

Climate activists are wary of plans to simply replace coal-sector projects with LNG-fired plants, which risks locking in the use of fossil fuels for decades. "This would be a lunge towards runaway global warming in the same vein as new coal power," said Julien Vincent, executive director of Market Forces, an Australia-based campaign group.

THE GULF TIME

CHAIRMAN OF THE BOARD
SAEED SAIF

Tel: 02-4468000, Fax: 02-4485401
Website: www.gulftime.ae
Email: editor@gulftime.ae, business@gulftime.ae, local@gulftime.ae
Printed at: Al Wathba Printing Press

Why many of Trump's people can't resist him

Each episode of the true-crime drama currently airing from Room 390 of the Cannon House Office Building in Washington has offered variations on a theme: Former President Donald Trump used the powers of his office, and blunt force, to foment a coup after losing the 2020 presidential election.

The plot twists have largely involved how individuals or institutions responded to Trump's entreaties to commit crimes. The fifth day of testimony overseen by the bipartisan congressional committee investigating the January 6 attack on the US Capitol focused on a trio of Justice Department lawyers who did the right thing when Trump cracked his whip — and one who didn't.

As Trump was trying to corrupt the nation's leading law enforcement agency by forcing its attorneys to help fabricate evidence of electoral fraud — and launch an investigation of the bogus claim — former acting Attorney General Jeffrey Rosen and two of his deputies, Richard Donoghue and Steven Engel, resisted. That perplexed Trump.

"Just say that the election was corrupt and leave the rest to me and the Republican congressmen," was Trump's guidance to the lawyers, according to Donoghue's testimony. But a lower-level Justice Department lawyer, Jeffrey Clark, was eager to do Trump's bidding (apparently in exchange for Trump naming him attorney general). What made Clark so pliable?

Clark was "willing to ignore the facts" and do whatever Trump "wanted him to do, including overthrowing a free and fair democratic election," said Representative Adam Kinzinger, a Republican member of the January 6 committee. (Federal law enforcement agents raided Clark's home and led him out of the house in his pajamas, so more evidence of his intentions might be forthcoming.)

But Clark's behaviour has a broader lesson. It's evidence of Trump's peculiar magnetism for grifters — and a reminder of the kind of corruption that will return to the White House if he isn't held accountable for his coup attempt and finds a path back to the Oval Office in 2024.

For most of his 76 years, Trump has attracted operators, wannabes and seemingly strait-laced people who, once they enter his orbit, become unusually craven. It happened when he was an aspiring real estate mogul, when he was a reality-TV celebrity and, with much greater and lasting consequence, when he was president.

Michael Cohen, a former Trump lawyer and enforcer, is someone who well understands Trump as a manipulator. He is familiar with the triggers that Trump is able to pull when he so desires. When Cohen was asked about what lessons he drew from the congressional hearing — and what life is like as a Trump co-dependent, he said this. "I believe that everyone in Trump's inner circle are all fundamentally missing something in their lives. For me, I had just come off a series of health issues when I was asked to join the Trump Organization. I had missed the excitement," Cohen said. "There's an excitement in being around the celebrity of Donald Trump. He has a great ability to make those around him feel that they're part of that moment — even if it's not for a good thing."

"It's intoxicating," he continued. "Until things go bad with Trump, then they go really bad. Ultimately, those who were his inner circle all end up having their lives turned upside down. And for what, for who?"

Cohen said he was merely doing what he was told. "Trump doesn't make requests of people. He gives orders," he said. "To refuse the task as directed by Trump would result in an immediate termination." Of course, the White House is a far larger and more powerful stage than the Trump Organization, he acknowledged. "Nevertheless, it was a similar dynamic."

—Bloomberg

OTHER OPINION

Are we living in a 1970s economy once again?

The 1990s are having a moment in consumer culture. But with the world in the grip of rampant inflation, and Britain enduring a summer of discontent, it feels like we're living in a 1970s economy.

Nineties nostalgia has been building for some time. Bold logos, which disappeared after the financial crisis, have made a splashy comeback. Burberry Group Plc has even revived its trademark black, white, tan and red check, a rehabilitation for the plaid worn by Oasis's Liam Gallagher in the 1995 music video for "Wonderwall." Y2K, inspired by the outfits of the mid-90s to early 2000s, is now a fashion category in its own right.

But lately, the clamour for all things 90s, particularly the earlier years, has intensified.

In fashion, the smiley face, a potent symbol of Britain's late '80s and early '90s rave culture, has been freshly emblazoned on everything from socks to designer handbags to home furnishings. The Clarks Wallabee boot, a favorite among ravers and the Manchester band scene, was the sixth-hottest men's item in the first quarter of this year, according to the Lyst Index. Bucket hats, which have had a luxe makeover, have been high on previous Lyst Indexes, which measure searches on the fashion platform and other sites as well as social media engagement.

And recently, Beyonce released her single "Break My Soul," with house music's characteristic bouncing beats and piano riffs. Some of the tracks on Drake's new album "Honestly, Nevermind" are also reminiscent of the era's dance tunes. It may be fear of recession that's driving today's obsession with all things early '90s. The period was characterised by a dismal economy and large-scale unemployment, although Beyonce's track is more an ode to the Great Resignation than ringing alarm bells on redundancies.

Caution on the global economy is certainly becoming more prevalent. The New York Federal Reserve's latest forecast puts the possibility of recession, or a "hard landing," at 80%. And yet this anxiety comes against the backdrop of joy at being able to socialise again. That may be one reason why the euphoria of the early '90s dance scene is resonating.

As recession warning signs flash, the immediate problem is inflation, at a 40-year high on both sides of the Atlantic. As an economist has pointed out, the current situation mirrors the 1970s, with its winter of discontent, stagflation, real wage resistance and labor strikes. The similarities don't stop there: The S&P 500 Index is on track for its worst first half since 1970, while the prospect of gas rationing in Europe this winter sounds like the previous era's blackouts.

There are some signs of the decade making its way into consumer culture, too.

—Bloomberg

Is it time for Europe to declare a war economy?

Western Europeans have been lucky yet not to be in a shooting war as Ukrainians are. But they're combattants in economic war against Putin

ANDREAS KLUTH

Demonstrators gather on the sidelines of the EU-Western Balkans Summit for a protest in support of Ukraine's bid for EU membership in Brussels, Belgium, on June 23 —DPA

The next step in the conflict between the West and Russian President Vladimir Putin was supposed to be a European boycott on Russian coal, oil and natural gas. It may instead be a gas embargo by Putin on Europe. It comes to much the same.

The countries of the European Union (EU) must accept what some of them — notably Germany and Austria — spent years denying. It's that in the eyes of an amoral despot such as Putin, everything is a weapon of war. That includes nuclear and chemical arms, but also wheat, disinformation and, not least, energy.

> Since April, the Kremlin has been shutting off Russian flows of natural gas to a list of EU countries Putin deems hostile — first Poland and Bulgaria, then Finland, the Netherlands and Denmark. He's now throttling the gas flowing through Nord Stream, a pipeline linking Russia to Germany

For decades, Putin has done his best to make European countries as dependent as possible on Siberian hydrocarbons to create vulnerabilities in the West. Now he's exploiting those weaknesses.

Since April, the Kremlin has been shutting off Russian flows of natural gas to a growing list of EU countries Putin deems hostile — first Poland and Bulgaria, then Finland, the Netherlands and Denmark. He's now throttling the gas flowing through Nord Stream, a pipeline linking Russia to Germany. Downstream recipients, like Italy, are also affected. The International Energy Agency (IEA), based in Paris, warns that Putin could turn the gas tap completely off within months.

He probably will, just because he can. In the first 100 days of the war, Russia has made as much as ever from selling fossil fuels, sanctions be damned. One reason is that non-Western countries such as China and India are stepping in for the EU as buyers. Another is that soaring energy prices are making up for reduced volumes to Europe.

As is his wont, Putin shrouds his aggression in subterfuge. Sometimes he blames the buyers — for not paying in rubles, for example, even though that isn't stipulated in the contracts — or "technical" problems. The interruptions at Nord Stream allegedly have to do with missing components.

Italian Prime Minister Mario Draghi has called these Russian excuses what they are: "lies." Putin's objective is clear. It's to make countries such as Germany deplete their storage tanks so they will be only partially filled when the cold season arrives in fall and winter. Putin loves the soaring energy prices these shortages are causing, which are hurting Western consumers, causing social tension and may yet test the EU's resolve.

He'd be especially thrilled if his energy blockade forces parts of European industry to shut down. That may happen. Several German industrial companies, in sectors from chemicals to steel and glass, have already warned that they may have to curb production if energy gets dearer or scarcer.

Austria, the Netherlands, Sweden and Denmark have already activated emergency plans. Germany this week escalated from the first of three stages ("early warning") to the second ("alarm"). In the third stage ("emergency"), the government seizes complete control over allocating natural gas in the country. Germany and other parts of Europe are heading for rationing — in effect, a war economy.

Austria has already had to restart a mothballed power plant running on coal (which is much dirtier as a fuel than gas). Germany is also firing up its coal generators. That's bitter for a country that had instead been planning to exit coal power altogether. It's especially wrenching for the Greens, who are running the combined energy and commerce ministry and have to implement this policy U-turn. Germany's predicament is blowback for the cumulative policy mistakes of decades. Not only have successive governments — including all four mainstream parties at various times — naively made themselves dependent on Russian pipeline gas. They also rashly exited from nuclear power generation — the last three fission-based plants are slated to be turned off in December. In effect, previous German governments volunteered to become Putin's energy hostage.

That makes the country's debate now all the more racking. The center-right parties in opposition and government want to keep the three remaining nuclear plants running. The center-left Social Democrats and Greens — for whom opposition to nuclear energy has been a generational totem — are still resisting.

Such debates are proof that reality still hasn't fully sunk in. The late psychiatrist Elisabeth Kuebler-Ross believed that people must cycle through five stages of grief — denial, anger, bargaining, depression and acceptance. Germans, in particular, appear stuck in the first four.

> The countries of the EU must accept what some of them — notably Germany and Austria — spent years denying. It's that in the eyes of an amoral despot such as Russian President Vladimir Putin, everything is a weapon of war. That includes nuclear and chemical arms, but also wheat, disinformation and, not least, energy

Acceptance means preparing now for the economic war against Putin to come. It means getting fossil fuels from other countries, fracking gas out of the ground underneath and importing more of it in liquid form by ship. It also means splitting atoms, putting up wind turbines, and all the rest.

Western Europeans have been lucky so far not to be in a shooting war as Ukrainians are. But they're already combattants in the economic war against Putin. It's time for sacrifice.

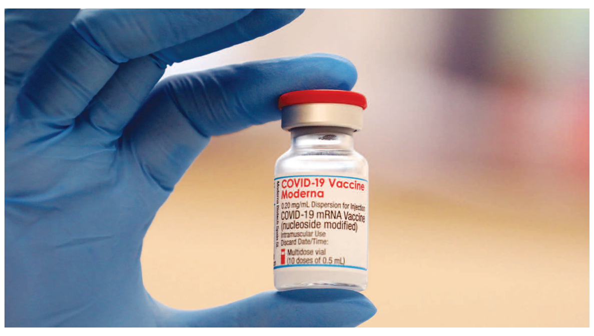
—Bloomberg

Andreas Kluth *is a Bloomberg Opinion columnist covering European politics. A former editor in chief of Handelsblatt Global and a writer for the Economist, he is author of "Hannibal and Me"*

Faster progress a must for long Covid

Virus stays in the gut in people with at least one symptom of disease

LISA JARVIS



This file photo shows a medical worker holding a vial of the Moderna vaccine in Thuringia —DPA

Long Covid is making it hard for millions of Americans to return to normal life, pushing some out of the workforce altogether, sometimes permanently. Yet medical efforts to figure out how best to help these patients are proceeding only slowly.

Research has zeroed in on a few probable causes of long Covid, perhaps the most intriguing of which is the idea that the coronavirus sometimes lingers in the body undetected for months after an initial infection. The theories should not be difficult to investigate, and the National Institutes of Health has $1.2 billion to spend on the work. But it's not moving fast enough.

The slow-footed response to long Covid is often attributed to the nebulous nature of the problem. Symptoms are so numerous as to seem almost random. One large UK study counted as many as 200 distinct health effects across 10 different organs. Duration varies, too; for some patients, the symptoms last only a month or two, while others seem to never fully recover. Even estimates of how many people suffer vary widely.

The US Government Accountability Office pegs the long-Covid population at anywhere from 7.7 million to 23 million. The Centers for Disease Control and Prevention finds that one in five Americans has experienced post-infection symptoms.

Categorising all these cases based on their underlying biology will take time. And it will remain difficult to distinguish long Covid from other conditions.

But researchers can make progress towards helping patients before they have nailed down a neat and tidy explanation for the condition. Already, scientists have several good hypotheses about how to treat the problem, and ideas for preventing it in the first place. And some of these theories can be tested, even without inventing new drugs.

Consider, for example, the theory that persistent lurking virus poses problems, for example, by prompting the immune system to react.

A growing body of research offers support to this theory. In one recent study of blood samples taken from people with long Covid, researchers detected coronavirus spike proteins over the course of several months in 60% of patients. In some of them, the bits of virus could be measured for as far out as a year. Because humans have enzymes that quickly chew up the spike protein in the bloodstream, finding protein pieces over time points to some kind of viral reservoir, says David R Walt, the Harvard professor who led the research.

> The slow-footed response to long Covid is often attributed to the nebulous nature of the problem. Symptoms are so numerous as to seem almost random. One large UK study counted as many as 200 distinct health effects across 10 different organs

This study has yet to undergo peer review, but Walt, who was the scientific founder of the gene-sequencing company Illumina, says it has generated more interest than any paper he's put out in his career.

The enthusiasm is helping his team access blood samples that have been collected over longer periods of time, with more comprehensive patient data, for further analysis using a highly sensitive test his lab developed.

The early findings are consistent with other work that has found the virus in the gut in people with at least one symptom of long Covid.

—Bloomberg

LIKE OTHER European airlines, Tap Air has seen a trend towards passengers spending more on journeys

Tap sees uncertain market driving key investor search

Portugal's state-owned airline has gone through a torrid few years even by the standards of an aviation sector rocked by the coronavirus crisis

BLOOMBERG

Portugal's state-owned airline Tap SA said a new investor would put it on a more solid footing as it pushes ahead with a restructuring program amid higher fuel costs and increasing geopolitical uncertainty.

"It's a very difficult market," Chief Executive Officer Christine Ourmieres-Widener said. "Fuel costs are increasing. We could have wars, we could have pandemics, so being part of a larger group of course gives more foundation to any airline. But it should be the right partner."

> It's a very difficult market. Fuel costs are increasing. We could have wars, we could have pandemics, so being part of a larger group of course gives more foundation to any airline. But it should be the right partner
>
> **Christine Ourmieres-Widener,** CEO, Tap Air

While the final decision will rest with Tap's government owner, which recently funded a 2.55 billion-euro ($2.7 billion) bailout and is on the lookout for a new stakeholder, any backer must be committed to "the long term growth, and DNA, and sustainability of the company," she said at its headquarters in Lisbon.

TAP Air's Christine Ourmieres-Widener, the first female CEO in carrier's 77-year history, said the topic of investment is "very sensitive" and "should be dealt with by the shareholder"

- While the final decision will rest with TAP's government owner, any backer must be committed to "the long term growth, and DNA, and sustainability of the company," its CEO Christine Ourmieres-Widener said
- Tap Air is relying on code-share deals and its membership of the Lufthansa-led Star Alliance to bolster its business after posting a net loss of 1.6 billion euros last year, hurt by measures including the closure of a business in Brazil

Tap has gone through a torrid few years even by the standards of an aviation sector rocked by the coronavirus crisis. While most other European flag carriers belong to three groups based in the region, the Portuguese firm was sold to the Atlantic Gateway consortium led by airline entrepreneur David Neeleman. After the deal soured the government regained control, lifting its stake in holding company Tap SGPS during the pandemic and becoming sole owner in December.

The ownership change was accompanied by the bailout, approved by the European Union only after Portugal agreed to slash TAP's costs through job losses and swinging cuts to the fleet. Ourmieres-Widener, the first female CEO in TAP's 77-year history, said the topic of investment is "very sensitive" and "should be dealt with by the shareholder."

TAP is relying on code-share deals and its membership of the Lufthansa-led Star Alliance to bolster its business after posting a net loss of 1.6 billion euros last year, hurt by measures including the closure of a maintenance business in Brazil.

Like other European airlines, Tap has seen a trend towards passengers spending more on journeys.

Lufthansa slashes 2,200 flights over staff shortages

BLOOMBERG

Deutsche Lufthansa AG cancelled 2,200 flights after a wave of coronavirus infections worsened staffing shortages, adding to Europe's travel chaos as the crucial summer vacation period gets under way.

Germany's flagship airline scrapped both domestic and European routes for July and August, a spokesman said. That follows 900 cancellations announced earlier this month. Lufthansa fell as much as 3.3% in Frankfurt.

Travel demand has rebounded dramatically in Europe with the lifting of coronavirus curbs, leaving some airlines struggling to cope and subjecting passengers to hours-long queues and cancellations. A new outbreak of Covid-19 infections — while less deadly than previous waves — is causing growing absences from workplaces, worsening acute labour shortages.

> Travel demand has rebounded in Europe with the lifting of coronavirus curbs, leaving some airlines struggling to cope and subjecting passengers to hours-long queues and cancellations

Growing labour unrest as workers seek pay increases to keep up with inflation is adding to the problem, with strikes threatened or under way at airlines including Ryanair Holdings Plc and IAG SA's British Airways.

The developments are a fresh blow to the European aviation industry that was among the worst-affected during the pandemic, with airlines and airports losing billions of euros after the virus burst a decades-long travel boom. Carriers had cut back staffing during the health crisis and were slow to rebuild, worried about the resiliency of ticket sales.

Tesco CEO says shoppers are 'terrified' of inflation

BLOOMBERG

More than 75% of people are "terrified" of the effect the cost-of-living crisis will have on their families, according to the head of UK's largest supermarket.

Tesco Plc Chief Executive Officer Ken Murphy said the grocer has done a lot of research about how people are feeling right now as they battle the worst inflation to hit Britain in 40 years — "and this is the word they use — 'terrified'."

"We're on the front line talking to customers every day and we can see and feel the pressure on the family budget," said Murphy.

"So I can't overstate the mood of the people in all our markets." Signs of consumer stress are particularly evident in the UK, he said, but are also present in Ireland and in central Europe where inflation has hit an all-time high.

Murphy's remarks follow those made by Tesco Chairman John Allan when he warned that Britain was on the cusp of "real food poverty for the first time in a generation."

PALESTINIAN PILGRIMS ARRIVE IN JEDDAH FOR HAJJ

Palestinian Muslim pilgrims arrive at King Abdulaziz International Airport for annual Hajj pilgrimage in Jeddah, Saudi Arabia —DPA

TUI CEO to quit after handling Covid crisis

BLOOMBERG

TUI AG Chief Executive Officer Fritz Joussen is set to leave after almost 10 years at the helm of the world's biggest tour operator, having steered the company through the Covid-19 crisis.

Joussen, 59, will step down at the end of September, according to a statement. Chief Financial Officer Sebastian Ebel will replace him and Mathias Kiep, the head of investor relations, will become CFO. Both appointments will be proposed to the board for a three-year term. The shares fell 3.7% in London.

The move comes after TUI said that it would pay off about 1 billion euros ($1.1 billion) of government aid that helped see it through the pandemic, using proceeds from a share sale.

"Now that the existential crisis has been overcome, now is the right time for a change at the top of TUI," Joussen said in a statement on the airline's website.

The German holiday company was threatened with collapse when Joussen took the helm in 2013. He led a reorganisation that expanded further into hotels, cruises and activities to turn around the business.

In a separate letter to employees, Joussen said the new CEO would aim to reduce debt, strengthen the balance sheet and lead the company back to profitable growth.

South Africa sued over $3 sale of troubled national airline

Takatso Consortium wants the sale of a majority stake in the SAA scrapped and re-run due to a lack of transparency

BLOOMBERG

South Africa's government and national airline are being sued by a little-known investment firm, which wants the sale of a majority stake in the carrier scrapped and re-run due to a lack of transparency.

This year's acquisition of 51% of South African Airways (SAA) by the Takatso Consortium — made up of a local jet-leasing company and a private-equity firm — for just $3 was "unlawful and constitutionally invalid," according to documents filed at the High Court in Cape Town by Toto Investment Holdings Pty Ltd.

The transaction was "shrouded in secrecy" and "not fair, equitable, competitive or cost effective," according to the filing by Toto founder Bongani Gigaba, who says his firm was unfairly excluded from the deal. "Toto was a direct victim of the unlawful and secretive process."

The filing is the first legal action against the sale, which has drawn criticism from the National Treasury, opposition parties and media in part due to the lack of proceeds for the taxpayer. Yet the airline had been a drain on government finances for a decade, receiving numerous state bailouts before entering bankruptcy proceedings in 2019.

SAA was one of the key subjects of a lengthy South African judicial inquiry into state corruption under the presidency of Jacob Zuma, who was ousted by Cyril Ramaphosa in 2018

> The acquisition of 51% of South African Airways by the Takatso Consortium — made up of a local jet-leasing company and a private-equity firm — for just $3 was "unlawful and constitutionally invalid," according to documents filed at the High Court in Cape Town by Toto Investment Holdings

After a substantial reorganisation that saw staff numbers cut by almost 80%, Public Enterprises Minister Pravin Gordhan initiated a sale process that eventually led to the agreement with Takatso, made up of Global Airways, which owns domestic airline Lift, and private-equity firm Harith General Partners.

SAA then resumed flying to nine domestic and international destinations with a fleet of six Airbus SE jets.

The Department of Public Enterprises is studying the court papers and will oppose the application, a spokesperson said. SAA and Takatso referred questions to the DPE. The National Treasury declined to comment.

SAA was one of the key subjects of a lengthy South African judicial inquiry into state corruption under the presidency of Jacob Zuma, who was ousted by Cyril Ramaphosa in 2018.

British Airways staff at Heathrow vote to strike over pay

Surging inflation has prompted industry workers to step up campaigns for pay hikes, triggered by a travel rebound

BLOOMBERG

British Airways (BA) workers at London Heathrow airport are set to strike in a dispute over pay, adding to a wave of industrial action across Europe that threatens to unleash travel chaos in the region this summer.

The GMB and Unite unions said hundreds of BA check-in staff backed walkouts during the peak vacation period after the carrier refused to reverse a 10% pay cut imposed during the pandemic.

- The GMB and Unite unions said hundreds of BA check-in staff backed walkouts during the peak vacation period after the carrier refused to reverse a 10% pay cut imposed during the pandemic
- British Airways is vulnerable to walkouts after offloading 10,000 staff during the coronavirus crisis and already being compelled to curb operations at the busiest time of the year to minimise disruption

Unite said it would give the IAG SA unit "a short window of opportunity" to reinstate wages before posting strike dates

Unite said it would give the IAG SA unit "a short window of opportunity" to reinstate wages before posting strike dates. Surging inflation has prompted aviation industry workers to step up campaigns for pay hikes, emboldened by a rapid rebound in travel coupled with an industry-wide staffing shortage that's forced hubs across Europe to cancel hundreds of scheduled flights. London Gatwick and Amsterdam Schiphol both said last week they were capping capacity.

British Airways is especially vulnerable to walkouts after offloading 10,000 staff during the coronavirus crisis and already being compelled to curb operations at the busiest time of the year to minimise disruption.

IAG Chief Executive Officer Luis Gallego warned that strikes at BA were a distinct possibility, saying the airline faced a "tough summer" and needed to talk with employees and "link the recovery of the company with the recovery of all our people."

BA, which employs about 30,000 people, said it was disappointed with the strike vote, and that it had offered a 10% payment to compensate for the cuts during the pandemic which was accepted by the majority of other employees.

"We are fully committed to work together to find a solution," the company said in a statement. "We will of course keep our customers updated about what this means for them as the situation evolves."

The proposed action relates to fewer than 50% of BA's customer-facing roles at Heathrow, with another group of check-in staff not balloted.

JOE BIDEN leadership has been central in unifying the world to defend democracy

Joe Biden limps to G-7 as allies fret over his troubles at home

Several leaders are concerned that a midterm defeat in US election would limit how much President Joe Biden can promise and get done in the months ahead

BLOOMBERG

US President Joe Biden's political fortunes have changed dramatically since his first Group of Seven summit last summer, or even his last visit to Europe in March. It couldn't come at a worse time for his international allies as Russia settles into a long war with Ukraine.

German Chancellor Olaf Scholz, who will welcome G-7 leaders in the Bavarian Alps, views Biden as a driving force in sustaining pressure on Moscow and believes that unity among allies could fray once again if Republicans win back the White House in 2024, according to a German government official who requested anonymity to discuss internal thinking.

> Joe Biden's presidency has been rocked by inflation and soaring gas prices. The Supreme Court could issue a ruling that's expected to overturn the landmark Roe v. Wade decision and end nationwide abortion rights. On Thursday, the justices dealt Biden a setback before he departed for Europe, making it easier for Americans to carry guns in public

It was only a year ago, on a sandy English beach in Cornwall, when European leaders celebrated that Donald Trump was gone and that the US had returned to the multilateral orbit. Now, that relief has been replaced with a sense of foreboding about whether Biden's Democrats survive midterm elections and the president's political longevity.

US President Joe Biden speaks at the convention of the labor federation (AFL-CIO), held at the Pennsylvania Convention center in Philadelphia —DPA

Several G-7 leaders are concerned that a midterm defeat would limit how much Biden can promise and get done in the months ahead, according to a senior French government official who requested they not be named discussing sensitive matters. As Biden heads into back-to-back European meetings — first the G-7 in Germany and then a Nato summit in Spain — his domestic problems are snowballing.

His presidency has been rocked by inflation and soaring gas prices. At any given moment during his trip, the Supreme Court could issue a ruling that's expected to overturn the landmark Roe v. Wade decision and end nationwide abortion rights. On Thursday, the justices dealt Biden a setback before he departed for Europe, making it easier for Americans to carry guns in public.

And on the global stage, it's clear that four months after President Vladimir Putin ordered an invasion of Russia's neighbour, he has not been deterred by international sanctions and the conflict has settled into a war of attrition.

White House officials expressed confidence in the president's standing going into the meetings and said he deserves credit for organizing global opposition to Russia's invasion. The US and its allies are in closer agreement than ever on many issues, including China, energy and supply chains, White House spokesman Andrew Bates said.

"President Biden pledged that he would revitalize America's standing in the world based on common values, and he has delivered; this is a watershed moment in which our alliances are now the strongest they have been in the post-Cold War era," Bates said in an e-mail. "The president's leadership has been central in unifying the world to defend democracy and freedom against aggression and brutality."

In this new phase, the challenge for the US and its allies is sustaining pressure while averting further damage to their own economies.

Douglas Lute, who served as US ambassador to Nato during the Obama administration, said getting everyone to agree on what to do next for Ukraine will keep getting harder. The economic pain will "frankly test the alliance's ability to remain unified," he said in an interview.

Biden's counterparts at the G-7 have put elections behind them. But he is staring at the prospect of Republicans seizing control of one or both chambers of Congress in November amid mounting speculation about whether he'll run for re-election in 2024.

China's ambassador to Australia heckled by Sydney protesters

BLOOMBERG

China's chief envoy to Australia was heckled by several protesters in Sydney on Friday as he delivered a speech that attempted to go some way towards repairing relations between the trading partners.

One shouted about the detention of members of the Uighur minority group in China, while another protester called ambassador Xiao Qian "a disgrace" as he addressed the Australia-China Relations Institute at the University of Technology.

> Since the election of center-left Australian leader Anthony Albanese last month, Australia and China have been cautiously exploring reopening diplomatic communications after a pause of more than two years. In June, Australia's new Deputy Prime Minister Richard Marles met with his counterpart Defence Minister Wei Fenghe in Singapore

Since the election of center-left Australian leader Anthony Albanese last month, Australia and China have been cautiously exploring reopening diplomatic communications after a pause of more than two years. In June, Australia's new Deputy Prime Minister Richard Marles met with his counterpart Defence Minister Wei Fenghe in Singapore.

Between interruptions to his speech on Friday, Xiao said that the ministerial talks between China and Australia were "very significant" following the difficult period in relations.

"Perhaps more important is how we can maintain the momentum and put our relationship back on the right track," said Xiao, Beijing's representative in Canberra.

The diplomatic freeze between Canberra and Beijing set in after former Prime Minister Scott Morrison called for an international investigation into the origins of Covid-19 in April 2020. That outraged China and led to trade barriers being enforced on Australian imports, including meat, wine and coal.

Xiao said there had been a change in attitude among Chinese people towards Australia in recent years, following actions of the previous government including the call for a Covid inquiry and its ban on Huawei Technologies Co. participating in the country's 5G network.

However, the escalation of tariffs was related to concerns about dumping by Australian businesses and didn't amount to "official sanction measures," he said.

Bolsonaro, stuck in election race, plans cash handouts

BLOOMBERG

President Jair Bolsonaro is considering increasing monthly stipends paid to about 18 million poor Brazilian families as opinion polls show his re-election campaign failing to close the gap with front-runner Luiz Inacio Lula da Silva less than four months before the vote.

The idea is to boost payments made through a cash transfer program known as Auxilio Brasil to 600 reais ($116) from the current 400 reais until year-end, Carlos Portinho, the government leader in the senate, told reporters. In order to fund the plan, the administration would abandon a proposal to make up for revenue losses of states that agree to scrap a so-called ICMS tax on items such as diesel and cooking gas, he added.

Soaring fuel prices and inflation running above 11% a year top the list of voter complaints ahead of the October election, with most Brazilians blaming the country's economic woes on the incumbent. A poll released by Datafolha on Thursday showed Lula would receive 47% of voting intentions in the first round, a 19 percentage-point advantage over Bolsonaro.

> Soaring fuel prices and inflation running above 11% a year top the list of voter complaints ahead of the October election, with most Brazilians blaming the country's economic woes on the incumbent president Jair Bolsonaro. Lula would receive 47% of voting intentions in the first round

Increasing financial aid to the poor would be more effective to reduce the inflation pain, since many governors are against lowering the ICMS tax, one of their main sources of revenue, Portinho said. Another measure being considered by the government is giving a monthly aid of 1,000 reais ($192) to about 866,000 self-employed truck drivers and doubling the amount of a gas voucher paid to low-income families until the end of the year.

Xi's Hong Kong trip in doubt as officials get Covid

It's been the practice for China's leaders to attend the swearing in since 1997

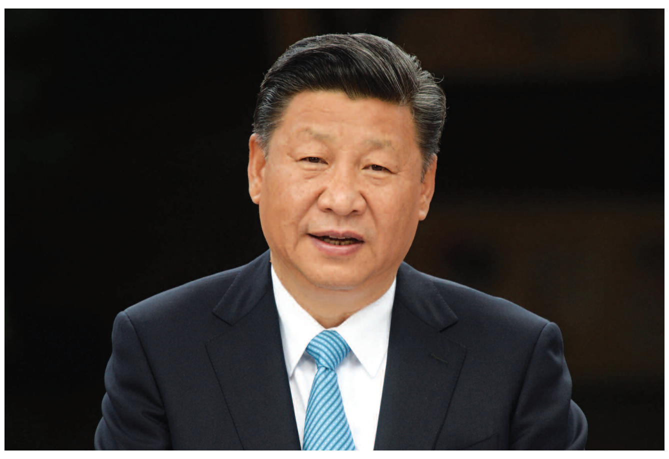
BLOOMBERG

President Xi Jinping's rumored visit to Hong Kong to mark the city's 25th anniversary of Chinese rule is now in doubt after top officials in the city came down with Covid.

Two senior members of incoming Chief Executive John Lee's cabinet — including his No. 2 — have tested positive for the virus, the government revealed in a Thursday statement. Lee and his government are due to be sworn in on July 1, at a ceremony that the Chinese leader has been widely tipped to attend.

While Xi's visit has never been confirmed, it's been the practice for China's leaders to attend the swearing in since 1997. Xi last visited five years ago when Carrie Lam became chief executive. The infections come as the city takes a more liberal approach toward the virus than the mainland since an outbreak earlier this year swept through the 7.4 million population. Hong Kong reported 1,522 new cases on Thursday, compared with 44 for the whole of mainland China.

If Xi didn't come it may show Hong Kong failed to do a good enough job to manage its Covid situation, said Dongshu Liu, an assistant professor specializing in Chinese politics at the City University of Hong Kong.



Chinese President Xi Jinping speaks during a press conference —DPA

> If Xi Jingping didn't come it may show Hong Kong failed to do a good enough job to manage its Covid situation, said Dongshu Liu, an assistant professor specializing in Chinese politics at the City University of Hong Kong

Local officials attending the July 1 celebrations are expected to enter a week-long "closed-loop" arrangement that would confine them to their homes and workplace, without use of public transport, culminating in one night of hotel quarantine, the South China Morning Post previously reported, citing sources.

"If more officials get infected, it's probably more embarrassing and awkward than anything," Dongshu said. "After all, amid all the restrictions and measures in Hong Kong, the people who eventually are infected are them. In the long-term, if society uses these incidents to make fun of politicians, their authority will be undermined."

Mainland Affairs Secretary Erick Tsang, who keeps his post in the next government, and incoming Chief Secretary Eric Chan are now both in isolation. Chan has been isolating since Tuesday, after his wife tested positive for the virus. Chan and Tsang went to work last on Monday and Wednesday, respectively. Permanent Secretary for Development Ricky Lau is also infected.

If Lee and outgoing Chief Executive Carrie Lam test positive it could derail the entire July 1 handover celebration.

Lee has so far tested negative, according to a spokesperson for the office of the Chief Executive-elect. "The Chief Executive-elect last met Mr Erick Tsang and Mr Eric Chan several days ago. Mr Lee took a PCR test on Wednesday and the result was negative."

Boris Johnson's Tory chair quits after double election blow

The Liberal Democrats overturned a Conservative majority to take Tiverton and Honiton, held by the Tories since 1997

BLOOMBERG

The chairman of Boris Johnson's ruling Conservatives resigned after the party lost two key parliamentary seats in one night, raising fresh concerns about Johnson's leadership and his faltering popularity with voters.

The elections "are the latest in a run of very poor results for our party," Oliver Dowden said in a letter to Johnson posted on Twitter. "We cannot carry on with business as usual."

The Liberal Democrats overturned a huge Conservative majority to take Tiverton and Honiton, a rural constituency in southwest England held by the Tories since its creation in 1997.

And the UK's main opposition Labour Party won back the district of Wakefield in West Yorkshire, one of the so-called Red Wall seats in the swathe of Labour heartlands in northern England that switched to Johnson's Tories in 2019.

British Prime Minister Boris Johnson delivers a speech at a Business Forum, during the Commonwealth heads of government meeting —DPA

But Johnson now faces renewed pressure from his Conservative MPs, just over two weeks after four in 10 of them voted to oust him as leader. The political peril facing him is exacerbated by the fact that he's due to be overseas at various summits for the next week.

Speaking to reporters in Rwanda on Friday, the prime minister insisted he would "keep going" and that the UK's cost-of-living crisis was a major factor in defeats he described as common for a mid-term government.

CARRYING ON

"I've got to listen to what people are saying," he said. "We've got to recognise there is more we've got to do and we certainly will —we will keep going addressing the concerns of people until we get through this patch."

But the problem for Johnson is that his party is losing faith in a leader whose approach to politics — centered on bullishness and his connection with voters— looks increasingly out of step with the challenges facing Britain.

> Boris Johnson now faces renewed pressure from his Conservative MPs, just over two weeks after four in 10 of them voted to oust him as leader. The political peril facing him is exacerbated by the fact that he's due to be overseas at various summits for the next week

Johnson has faced intense pressure for months over a series of scandals related to his conduct in office, including being fined by police as part of a probe into illegal parties held in Downing Street during the pandemic.

Veteran Conservative Geoffrey Clifton-Brown, who sits on the backbench committee that sets party rules including on leadership confidence votes, told BBC Radio 4 that MPs now had to listen to the premier and then "make a judgment as to whether we think that is a satisfactory explanation — or whether we should actually take steps to have a new prime minister."

With support for the Conservatives slumping nationwide, rebels in his party have pointed to the by-elections as moments that could again galvanize efforts to remove him. Their problem is that having narrowly failed to oust Johnson just over two weeks ago, under party regulations the prime minister is safe from another vote for a year.

INFLATION in the United Kingdom (UK) rises to new 40-year high with more gains expected

UK government spent $459b on Covid pandemic response

The amount grew amid measures to administer vaccines, test and trace contact cases, and alleviate the pressure on hospitals by improving patient discharge

BLOOMBERG

The coronavirus pandemic, marked by an ambitious vaccine rollout, has cost the UK government an estimated £376 billion ($459 billion).

The figure released by the National Audit Office has increased by £6 billion over the last ten months, with much of the expense going to support train traffic even as the passenger numbers dwindled.

The amount — more than the annual gross domestic product of a country like Austria — grew amid measures to administer vaccines, test and trace contact cases, and alleviate pressure on hospitals by improving patient discharge. The cost is estimated to be similar in neighbouring France after governments across Europe opted to strain their finances to support the economy through the crisis.

The UK economy is on course to shrink for the first time since the pandemic, consumers are seeing their incomes squeezed at the sharpest pace in two decades, and a series of rail strikes are bringing the nation to a standstill this week

- The UK spent more than the annual gross domestic product of a country like Austria on pandemic responses
- The cost of Covid pandemic responses in the UK is estimated to be similar in neighbouring France after governments across Europe opted to strain their finances to support the economy through the crisis

UK INFLATION RISES TO NEW 40-YEAR HIGH

UK inflation rose to a fresh four-decade high in May after broad increases in the cost of everything from fuel and electricity to food and beverages.

The rate accelerated to 9.1%, from 9% a month earlier, the Office for National Statistics said.

Retail prices climbed more than expected to 11.7%, and there were also more signs of inflationary pressures building at the wholesale level, with raw material costs increasing the most on record.

While the jump was smaller than seen in recent months, the figures still underline the scale of the inflation crisis facing the UK. Matters will get worse later this year when another energy price hike kicks in, with the Bank of England forecasting price gains will surge above 11% in October.

The increase was driven by rising prices for food and non-alcoholic beverages, which formed a stark contrast to declines a year ago. Rising electricity and gas and other fuel prices, motor fuels and second-hand cars were also big contributors to the headline figure. The cost of goods leaving factories rIse 15.7% from a year ago, a full percentage point stronger than expected and the most since 1977.

Raw materials prices jumped 22.1%, also more than expected and the most since records started in 1985.

> Retail prices in the UK climbed more than expected to 11.7%, and there were also more signs of inflationary pressures building at the wholesale level, with raw material costs increasing the most on record

The runaway inflation rate is setting the backdrop for a tumultuous summer for the central bank and Prime Minister Boris Johnson's government. About 60% of adults report spending less on non-essential items in response to rising costs.

"I know that people are worried about the rising cost of living, which is why we have taken targeted action to help families," said Chancellor of the Exchequer Rishi Sunak. "We are using all the tools at our disposal to bring inflation down and combat rising prices."

Sunak said that "fiscal policy which doesn't add to inflationary pressures" will be part of the solution, a signal government will keep a tight rein on pay settlements with the public-sector workers.

The economy is on course to shrink for the first time since the pandemic, consumers are seeing their incomes squeezed at the sharpest pace in two decades, and a series of rail strikes are bringing the nation to a standstill this week.

Canada inflation rises to 7.7%, fastest since 1983

BLOOMBERG

Consumer price inflation accelerated to a four-decade high, adding pressure on the Bank of Canada to deliver more aggressive interest rate hikes in the coming weeks.

Annual inflation rose to 7.7% last month, up from 6.8% in April, Statistics Canada reported in Ottawa. That's the highest since January 1983 and well above economist expectations for a 7.3% increase. The inflation gauge rises 1.4% from a month earlier with gasoline, hotel rates and cars among the largest contributors to the gains in May.

The average of core measures — often seen as a better indicator of underlying price pressures — rose to 4.73%, a record in data back to 1990.

The report illustrates the urgency for Governor Tiff Macklem to withdraw stimulus from an overheating economy amid concern price pressures are becoming entrenched in economy.

The numbers show an acceleration of price pressures, coupled with a broadening of inflation into other goods and services — a trend that is narrowing the central bank's ability to maneuver the economy into a soft landing.

Markets are now fully pricing in a 75-basis-point rate hike by the Bank of Canada next month, which would bring its policy rate to 2.25%. That rate is expected to reach as high as 3.5% by the end of this year. Prime lending rates offered by commercial banks are typically a little more than 2 percentage points above the policy rate.

"There was no rest for those of us growing weary of escalating inflationary pressures in May," Andrew Grantham, an economist at Canadian Imperial Bank of Commerce, said in

- Annual inflation rose to 7.7% last month, up from 6.8% in April, Statistics Canada reported in Ottawa
- The inflation gauge rose 1.4% from a month earlier with gasoline, hotel rates and cars among the largest contributors to the gains in May

a report to investors. "The higher than expected inflation figure will have markets pricing an even greater probability of a 75bp hike in July."

Asked about the possibility of a super-sized move, Senior Deputy Governor Carolyn Rogers reiterated the central bank needs to continue raising borrowing costs.

"We've been clear all along the economy is in excess demand, inflation is too high, rates need to go up," Rogers said at a conference in Toronto organised by the *Globe* and *Mail* newspaper. "We'll get it there."

Prime Minister Justin Trudeau's government has also been under pressure from opposition parties and economists to do more to stem inflationary pressures and help households offset the cost of living, though his administration has been wary of taking any new measures.

PROTEST AGAINST FUEL PRICE RISE IN ECUADOR

Young demonstrators take cover behind their handmade shields during a demonstration against the government of Guillermo Lasso amid the rise in fuel prices and several other policies that have affected the country's economy —DPA

Euro area economy slows sharply

BLOOMBERG

Euro area economic expansion slowed sharply as surging prices curbed the rebound from pandemic restrictions and factories continued to suffer from supply snarls.

An indicator for economic activity by S&P Global falls to a 16-month low in June, driven by rampant inflation, concerns over energy and rising borrowing costs. While the overall gauge still signals modest expansion, manufacturing output declined for the first time in two years.

"Economic growth is showing signs of faltering as the tailwind of pent-up demand from the pandemic is already fading, having been offset by the cost-of-living shock and slumping business and consumer confidence," S&P Global economist Chris Williamson said in a statement.

Preliminary numbers from Australia, Japan and the UK showed continued growth in all three economies, though the British report signaled that businesses are bracing for a deeper economic slump in the third quarter.

New York's biggest mall avoids default with lender reprieve

The mall's owner, Pyramid said it got a five-year extension for its loans, with flexibility to keep investing in the property

BLOOMBERG

New York's biggest mall has reached a deal with lenders to avoid a default after the pandemic and years of retail turmoil left it deeply underwater on its mortgages.

Destiny USA, a 2.4 million-square-foot (223,000-square-meter) shopping center in Syracuse, owed $430 million on two mortgage-backed securities that missed a June 6 repayment deadline. The mall's owner, Pyramid Management Group, said that it got a five-year extension for its loans, with flexibility to keep investing in the property.

The agreement buys time for Pyramid to return the property to profitability so bondholders can recover their investment, Pyramid Chief Executive Officer Stephen Congel said in an interview.

"It's like turning an aircraft carrier around at sea: it takes some time and space," he said. "They realised time was important, and they gave it to us."

Congel said he couldn't discuss financial terms of the extension, including how much Pyramid committed to invest in the property or if the interest rate changed. The expired loans

Pyramid was in an especially tough spot partly because of efforts a decade ago to make Destiny USA an entertainment destination, with go-karts, a ropes course and other accoutrements designed to lure more people through the door

> Destiny USA's value sank 80% to just $147 million in an appraisal last year. The mall was slammed by the usual suspects that have hurt malls broadly, as shoppers shift to e-commerce and pandemic lockdowns froze their businesses

have a 3.81% coupon.

The mall's value sank some 80% to just $147 million in an appraisal last year. Destiny was slammed by the usual suspects that have hurt malls broadly, as shoppers shift to e-commerce and pandemic lockdowns froze their businesses.

But Pyramid was in an especially tough spot partly because of efforts a decade ago to make Destiny an entertainment destination, with go-karts, a ropes course and other accoutrements designed to lure more people through the door. That project was funded with $280 million of municipal debt, which would get paid before commercial mortgage-backed securities in a bankruptcy. That threatened recovery prospects for mortgage-bond investors.

German business confidence falls on Russia gas fear

A survey by S&P Global shows that growth in the European country is now the slowest in 19-member euro area

BLOOMBERG

German business confidence unexpectedly deteriorated on mounting fears over energy supplies from Russia that are raising the prospect of a recession in Europe's biggest economy.

A gauge of expectations by the Munich-based Ifo Institute fell to 85.8 in June from 86.9 in May, defying analyst predictions that two months of gains would continue. An index of current conditions edged lower.

The data feed the foreboding over Germany's economic outlook, with the pandemic rebound already under pressure from rampant inflation and component shortages, and a survey of purchasing managers by S&P Global this week showing growth is now the slowest in the 19-member euro area.

The focus now, however, is on energy after the Kremlin cut supplies and the government in Berlin increased the natural-gas risk level to the second-highest "alarm" phase.

German Economy Minister Robert Habeck said on Friday that he can't be sure Russia will resume shipments through a key pipeline following planned maintenance next month — increasing the chances of a fresh spike in prices and rationing this winter.

A day earlier, he warned that Russia's moves risked collapsing energy markets and drew a parallel to the role of Lehman Brothers in triggering the financial crisis.

A gauge of expectations by the Munich-based Ifo Institute fell to 85.8 in June from 86.9 in May, defying analyst predictions that two months of gains would continue

- The pandemic rebound in Germany is already under pressure from rampant inflation and component shortages
- Even before another spike in energy costs, consumers and companies in Germany are being squeezed by record inflation that hit 8.7% last month

Economists have warned of a contraction if gas shortages were to become a reality and manufacturers — on which the country relies to a greater extent than its neighbours to drive growth — would have to curtail production.

With energy issues likely to come to the fore in the winter, Fuest said there are "few dangers" of a recession this year. "But if Russia does reduce gas supplies further, what our forecasts say is that we will get a recession, but in 2023 — not before that."

Even before another spike in energy costs, consumers and companies in Germany are being squeezed by record inflation that hit 8.7% last month. The European Central Bank has committed to increasing interest rates in July and September.

BANK of America's (BofA) custom bull and bear indicator remains at "maximum bearish"

Global equity funds see their biggest outflows in 9 weeks

About $16.8 billion exited global stock funds in the week through June 22, with US equities seeing their first outflow in seven weeks at $17.4 billion, BofA said

BLOOMBERG

Global equity funds saw their biggest outflows in nine weeks as investors piled into cash amid fears that the US economy could be headed for a recession.

About $16.8 billion exited global stock funds in the week through June 22, with US equities seeing their first outflow in seven weeks at $17.4 billion, Bank of America Corp (BofA) said, citing EPFR Global data. Bonds saw redemptions of $23.5 billion, while investors moved $10.8 billion to cash and $0.6 billion to gold, the data show.

By trading style, US small cap and large cap stocks led outflows. By sector, materials and energy saw the biggest redemptions. Technology, communication services and real estate had inflows

> The US stock market has struggled to meaningfully recover after it sank into a bear market last week, and the S&P 500 Index is still on track for its worst first half since 1970 amid fears of economic slowdown

Bank of America's custom bull and bear indicator remains at "maximum bearish," strategists led by Michael Hartnett wrote in a note, which is a buy signal for stocks.

For the year, investors have bought $195 billion of stocks and sold $193 billion of bonds, meaning capitulation has not been reached for equities, they said.

The US stock market has struggled to meaningfully recover after it sank into a bear market last week, and the S&P 500 Index is still on track for its worst first half since 1970 amid fears of economic slowdown. Federal Reserve Chair Jerome Powell acknowledged this week that a soft economic landing was "very challenging."

Despite the selloff, strategists broadly believe equity markets haven't seen a bottom. Hartnett said last week that based on past bear markets — defined as a 20% drop for the index from recent highs — the current one for the S&P 500 would end in October with the index at 3,000 points. That's 21% below current levels.

Morgan Stanley strategist Michael J. Wilson also sees the index dropping to 3,000 to fully reflect the scale of economic contraction. And Societe Generale SA's Manish Kabra said this week that a 1970's style shock amid stagnation with higher inflation could send the index crashing more than 30% from current levels.

- Bonds saw redemptions of $23.5 billion, while investors moved $10.8 billion to cash and $0.6 billion to gold, the data shows
- For the year, investors have bought $195 billion of stocks and sold $193 billion of bonds, meaning capitulation has not been reached for equities

By trading style, US small cap and large cap stocks led outflows. By sector, materials and energy saw the biggest redemptions. Technology, communication services and real estate had inflows.

"In spite of the hawkish remarks from Fed officials, the growing worries that their hikes would trigger a recession actually meant that investors priced in a shallower pace of rate hikes over the coming 12-18 months," Deutsche Bank AG strategists led by Jim Reid wrote in a note. "That had a knock-on impact on Treasuries."

Sliding raw materials prices have contributed to a moderation in market-based measures of inflation expectations. Oil headed for its first back-to-back weekly loss since early April amid a broader selloff in commodities markets.

West Texas Intermediate crude traded near $105 a barrel after retreating over the previous two sessions. The US benchmark has lost almost 4% this week, putting prices on course for their first monthly drop since November.

European stocks to rally after tough first half, say analysts

BLOOMBERG

After what is poised to be the worst first half since 2008 for European equities, strategists are optimistic that at least some of the losses will be clawed back by the end of the year.

The Stoxx Europe 600 Index will end December at 467 index points, according to the average of 15 forecasts in *Bloomberg's* monthly survey. That would still represent a 4% drop for the year after strategists cut targets by nine index points on average in the past month.

"The next quarter may remain choppy and volatile, but we should not be far from the peak of pessimism," said Societe Generale SA strategist Roland Kaloyan, who has a year-end target of 415 points for the Stoxx 600, just above current levels.

European equities continue to struggle and falls to the lowest since February 2021 last week as worries about an economic slowdown mount amid rising inflation and the monetary tightening needed to tame it. The Stoxx 600 has dropped nearly 17% this year and isn't far from joining the S&P 500 in a bear market.

- European equities continue to struggle and fell to the lowest since February 2021 last week as worries about an economic slowdown mount amid inflation
- The Stoxx 600 has dropped nearly 17% this year and isn't far from joining the S&P 500 in a bear market

According to Bank of America Corp strategists including Thomas Pearce, the Fed tightening cycle is now "fully priced," which should help the Stoxx 600 to re-rate. They have a target of 430 points for the benchmark and last week raised their stance on European stocks to neutral from negative for the first time since October 2021.

The strategists stopped short of turning positive "as for now we still see growth risks as skewed to the downside and the risks for real yields as skewed to the upside relative to our expectations," Pearce said.

A 9% drop in the Stoxx 600 since the start of the month has taken the index closer to the lowest target in the panel of 380 points.

After a severe de-rating this year based on forward price-to-earnings multiples, European equities are looking cheap versus history and, as they have done for years, relative to their US peers. And although the earnings consensus is likely to drop in the coming months, some see the region as an opportunity.

"On a sector neutral basis, the European market has almost never been cheaper relative to the US than it is today," said UBS Group AG European equity strategist Sutanya Chedda, in emailed comments.

Chedda sees the Stoxx 600 ending 2022 at 480 points, with both upside and downside risks ultimately subservient to the direction of energy prices. UBS economists expect weaker, but not stagnated growth in Europe for the rest of the year, coupled with meaningful disinflation in the second half after a few months of uncomfortably high price increases.

ADX سوق أبوظبي للأوراق المالية Abu Dhabi Securities Exchange

Daily Financials

As of 2022-Jun-24 **Generated on** 2022-Jun-24 18:22

Capitalization (AED)				
Regular + Private	Regular Board	Private Board	FUND Board	Dual Listing Companies
1.94343E+12	1.87137E+12	72058957935	423510000	26628647381

Securities				Total			Big Block
Traded	Declined	Advanced	Unchanged	Value (AED)	Volume	Trades	Trades
48	16	25	7	1,138,306,835.29	164,101,787	7,881	0

Financials	Symbol	Face Val (AED)	Issued Shares	Last Close	High 52	Low 52	Value (AED)	Volume	Trades	Change	Change %	Paid Up Capital (AED)	Market Cap. (AED)
International Holding Company PJSC	IHC	1.00	1,821,428,571	280.900	295.000	98.100	318,995,650.70	1,133,276.00	706	(0.100)	(0.04)	1,821,428,571.00	511,639,285,593.90
Al Wathba National Insurance Co.	AWNIC	1.00	207,000,000	5.500	5.500	5.270						207,000,000.00	1,138,500,000.00
Bank of Sharjah	BOS	1.00	2,200,000,000	0.530	0.759	0.490						2,200,000,000.00	1,166,000,000.00
Commercial Bank International	CBI	1.00	1,737,383,050	1.100	1.100	0.530						1,737,383,050.00	1,911,121,355.00
Al Dhafra Insurance Co.	DHAFRA	1.00	100,000,000	6.000	6.610	4.350						100,000,000.00	600,000,000.00
Emirates Insurance Co.	EIC	1.00	150,000,000	7.300	8.060	6.300						150,000,000.00	1,095,000,000.00
Abu Dhabi Islamic Bank	ADIB	1.00	3,632,000,000	7.110	10.460	5.360	15,637,942.86	2,191,081.00	395	(0.170)	(2.34)	3,632,000,000.00	25,823,520,000.00
Abu Dhabi National Insurance Company	ADNIC	1.00	570,000,000	6.340	7.630	4.910	945,374.28	148,823.00	11	0.000	0.00	570,000,000.00	3,613,800,000.00
Abu Dhabi Commercial Bank	ADCB	1.00	6,957,379,354	8.850	11.300	6.700	18,472,910.72	2,090,917.00	370	0.030	0.34	6,957,379,354.00	61,572,807,282.90
Al Ain Alahlia Insurance Co.	ALAIN	10.00	15,000,000	45.000	45.000	29.200						150,000,000.00	675,000,000.00
Al Buhaira National Insurance Company	ABNIC	1.00	250,000,000	2.000	2.110	1.480						250,000,000.00	500,000,000.00
Al Fujairah National Insurance Company	AFNIC	100.00	1,331,000	224.000	231.000	224.000						133,100,000.00	298,144,000.00
Al Khazna Insurance Co.	AKIC	1.00	100,000,000	0.238								100,000,000.00	23,800,000.00
Finance House	FH	1.00	302,837,770	1.830	2.100	1.400	3,738.81	2,143.00	2	(0.020)	(1.08)	302,837,770.00	554,193,119.10
Hayah Insurance Company P.J.S.C	HAYAH	1.00	200,000,000	0.648	0.654	0.541						200,000,000.00	129,600,000.00
GFH Financial Group B.S.C	GFH	0.97	3,775,990,064	0.983	1.500	0.952	345,249.68	352,444.00	15	0.013	1.34	3,672,150,337.24	3,711,798,232.91
Insurance House	IH	1.00	118,780,500	0.870	0.910	0.790						118,780,500.00	103,339,035.00
Invest Bank	INVESTB	1.00	3,180,982,143	0.450								3,180,982,143.00	1,431,441,964.35
Methaq Takaful Insurance Compnay	METHAQ	1.00	150,000,000	0.731	1.200	0.640	110,100.00	150,000.00	7	(0.018)	(2.40)	150,000,000.00	109,650,000.00
Multiply Group PJSC	MULTIPLY	0.25	11,200,000,000	1.780	2.350	1.510	100,228,906.66	55,804,983.00	497	(0.030)	(1.66)	2,800,000,000.00	19,936,000,000.00
First Abu Dhabi Bank	FAB	1.00	11,047,612,688	18.420	24.060	16.140	198,093,277.86	10,729,095.00	669	(0.060)	(0.32)	11,047,612,688.00	203,497,025,712.96
National Bank of Fujairah	NBF	1.00	2,000,000,000	4.990	5.000	4.600						2,000,000,000.00	9,980,000,000.00
National Bank of Umm Al Qaiwain	NBQ	1.00	1,848,000,015	2.000	2.000	1.350						1,848,000,015.00	3,696,000,030.00
Sharjah Islamic Bank	SIB	1.00	3,081,597,750	1.700	2.120	1.470	337,555.00	199,150.00	10	0.000	0.00	3,081,597,750.00	5,238,716,175.00
Oman & Emirates Investment Holding Co	OEIHC	1.00	121,875,000	0.324	0.380	0.324						121,875,000.00	39,487,500.00
Waha Capital Company	WAHA	1.00	1,944,514,687	1.400	1.960	1.360	344,450.01	246,035.00	19	0.010	0.72	1,944,514,687.00	2,722,320,561.80
Umm Al Qaiwain General Investment Co. P.S.C	QIC	1.00	363,000,000	1.300	1.370	0.850						363,000,000.00	471,900,000.00
The National Bank of Ras Al Khaimah	RAKBANK	1.00	1,676,245,428	4.500	5.400	3.820						1,676,245,428.00	7,543,104,426.00
Ras Alkhaima National Insurance Co.	RAKNIC	1.00	121,275,000	3.500	3.750	3.250						121,275,000.00	424,462,500.00
Abu Dhabi National Takaful Co.	TKFL	1.00	105,000,000	6.880	7.500	4.380						105,000,000.00	722,400,000.00
United Arab Bank	UAB	1.00	2,062,550,649	0.653	0.700	0.606						2,062,550,649.00	1,346,845,573.80
United Fidelity Insurance Company (P.S.C)	FIDELITYUNITED	1.00	160,000,000	1.440	2.000	2.000						160,000,000.00	230,400,000.00
Union Insurance Company	UNION	1.00	330,939,180	0.621	0.720	0.550						330,939,180.00	205,513,230.78
National Takaful Company (Watania)	WATANIA	1.00	150,000,000	0.890	1.080	0.710						150,000,000.00	133,500,000.00
Sharjah Insurance Company	SICO	1.00	150,000,000	1.364	1.500	0.960						150,000,000.00	204,600,000.00
Total			61,832,722,849				653,515,156.58	73,047,947.00	2,701			53,595,652,122.24	872,489,276,293.50
	Index	FADFSI	**Index Open**	14,747.81		**Index Close**	14,709.98	**Index Change**	(37.83)	**Index Change %**	(0.26)		
	Traded	11	**Declined**	6		**Advanced**	3	**Unchanged**	2	**Sector Capitalization**			8.68738E+11
Private Companies	Symbol	Face Val (AED)	Issued Shares	Last Close	High 52	Low 52	Value (AED)	Volume	Trades	Change	Change %	Paid Up Capital (AED)	Market Cap. (AED)
Sawaeed Holding P.J.S.C	SAWAEED	1.00	51,100,000	7.050	7.050	7.050						51,100,000.00	360,255,000.00
The National Investor PRJSC	TNI	1.00	310,000,000	0.450	0.600	0.450						310,000,000.00	139,500,000.00
GHITHA HOLDING P.J.S.C.	GHITHA	1.00	241,600,000	73.200	123.000	9.140	49,936,206.00	661,543.00	86	(2.400)	(3.17)	241,600,000.00	17,685,120,000.00
FOODCO NATIONAL FOODSTUFF PrJSC	FNF	1.00	280,000,000	1.240	1.720	1.080						280,000,000.00	347,200,000.00
Manazel PJSC	MANAZEL	1.00	2,600,000,000	0.374	0.644	0.342	731,074.07	1,967,678.00	34	0.003	0.81	2,600,000,000.00	972,400,000.00
ANAN INVESTMENT HOLDING P.J.S.C	ANAN	1.00	2,312,729,034	4.070	4.070	2.930						2,312,729,034.00	9,412,807,168.38
Easy Lease Motorcycle Rental PJSC	EASYLEASE	1.00	30,000,000	35.880	66.850	23.740	13,595,721.10	385,829.00	63	0.880	2.51	30,000,000.00	1,076,400,000.00
ESG EMIRATES STALLIONS GROUP P.J.S.C	ESG	1.00	250,000,000	6.760	11.800	3.650	10,796,237.08	1,574,228.00	62	(0.220)	(3.15)	250,000,000.00	1,690,000,000.00
Q Holding PSC	QHOLDING	1.00	6,855,598,886	3.800	8.090	0.890	3,396,270.78	902,962.00	148	0.100	2.70	6,855,598,886.00	26,051,275,766.80
Al Seer Marine Supplies & Equipment Company	ASM	1.00	1,000,000,000	10.940	16.940	10.460	9,471,888.92	869,275.00	85	0.040	0.37	1,000,000,000.00	10,940,000,000.00
Response Plus Holding PrJSC	RPM	1.00	200,000,000	8.010	20.000	7.050	8,181,025.33	1,008,253.00	67	(0.170)	(2.08)	200,000,000.00	1,602,000,000.00
PALMS SPORTS PrJSC	PALMS	1.00	150,000,000	11.880	21.480	10.500	6,777,195.48	570,471.00	27	(0.100)	(0.83)	150,000,000.00	1,782,000,000.00
Total			14,281,027,920				102,885,618.76	7,940,239.00	572			14,281,027,920.00	72,058,957,935.18
	Index	FADFSI	**Index Open**	14,747.81		**Index Close**	14,709.98	**Index Change**	(37.83)	**Index Change %**	(0.26)		
	Traded	8	**Declined**	4		**Advanced**	4	**Unchanged**	0	**Sector Capitalization**			72058957935
Consumer Staples	Symbol	Face Val (AED)	Issued Shares	Last Close	High 52	Low 52	Value (AED)	Volume	Trades	Change	Change %	Paid Up Capital (AED)	Market Cap. (AED)
Ras Al Khaimah Poultry & Feeding Co.	RAPCO	1.00	95,040,000	2.100	3.900	1.650						95,040,000.00	199,584,000.00
HILY HOLDING PJSC	HH	1.00	120,000,000	3.330	3.700	2.840						120,000,000.00	399,600,000.00
AGTHIA Group	AGTHIA	1.00	791,577,090	4.800	7.070	4.200	1,142,853.10	237,843.00	47	0.000	0.00	791,577,090.00	3,799,570,032.00
Total			1,006,617,090				1,142,853.10	237,843.00	47			1,006,617,090.00	4,398,754,032.00
	Index	FADCSI	**Index Open**	10,043.91		**Index Close**	10,043.91	**Index Change**	0.00	**Index Change %**	0.00		
	Traded	1	**Declined**	0		**Advanced**	0	**Unchanged**	1	**Sector Capitalization**			4398754032